

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of Financial and Insurance Services

In the matter of:

Office of Financial and Insurance Services

Enforcement Case No. 06-4904

Petitioner

v

Pro Care Health Plan, Inc.

Respondent

_____ /

CONSENT ORDER AND STIPULATION

Issued and entered,
on August 2, ., 2007,
by Peggy Bryson
Acting Chief Deputy Commissioner

I.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

In a Notice of Opportunity to Show Compliance (Notice), the Office of Financial and Insurance Services (OFIS) alleged in four Counts that Pro Care Health Plan, Inc. (Respondent) failed to comply with certain requirements of the Michigan Insurance Code (Insurance Code). Respondent and representatives of OFIS attended a compliance conference. Respondent also subsequently provided supplemental information to OFIS pursuant to compliance conference discussions.

1. Respondent is a licensed health maintenance organization.
2. Section 5248(1) of the Insurance Code provides, "No domestic insurer shall pay any salary, compensation, or emolument to any officer or director of the domestic insurer unless the payment is first authorized by a vote of the board of directors of the insurer."
3. Count I of the Notice alleges that OFIS staff conducted an on-site examination of Respondent for the period from January 1, 2002, to December 31, 2004, and discovered

that Respondent's board of directors did not approve the salaries of its officers and directors as required by Section 5248(1) of the Insurance Code.

4. Count I of the Notice alleges that Respondent violated Section 5248(1) of the Insurance Code by failing to approve the salaries of its directors and officers.
5. Respondent agrees that the Chief Deputy Commissioner may treat the allegations of fact and law in Count I of the Notice as true for purposes of this Consent Order, except that Respondent did not pay salaries to directors from January 1, 2002 to December 31, 2004.

II. ORDER

Based upon the Findings of Fact and Conclusions of Law above and the Stipulation attached hereto, the Chief Deputy Commissioner finds that the public interest is best served by resolution of the Notice by this Consent Order and Stipulation. The Chief Deputy Commissioner ORDERS that:

1. Respondent shall cease and desist from operating in a manner that violates Section 5248(1) of the Insurance Code, MCL 500.5248(1).
2. Respondent shall not pay any salary, compensation, or emolument to any officer or director unless the payment is first authorized by a vote of its board of directors.
3. Respondent shall pay to the state of Michigan, through the Office of Financial and Insurance Services, a fine in the amount of \$500.00. Upon execution of this Order, the Office of Financial and Insurance Services will send Respondent an Invoice for the civil fine, which will be due within 30 days of issuance of the Invoice.
4. Counts II, III and IV of the Notice are dismissed.
5. This Enforcement Case shall be closed upon Respondent's payment of the Invoice in accordance with Paragraph 3 above.



Peggy Bryson
Acting Chief Deputy Commissioner